

AMENDED IN SENATE JUNE 30, 2009

AMENDED IN ASSEMBLY MAY 4, 2009

AMENDED IN ASSEMBLY APRIL 2, 2009

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 563

Introduced by Assembly Member Cook

February 25, 2009

An act to amend Section 18707 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 563, as amended, Cook. Personal income taxes: contributions: California Military Family Relief Fund.

The Personal Income Tax Law allows taxpayers, until January 1, 2015, to designate on their tax returns that a specified amount in excess of their tax liability be contributed to the California Military Family Relief Fund to provide financial aid grants to eligible reserve members of the Armed Forces of the United States who are California residents and requires all moneys transferred to the fund, upon appropriation by the Legislature, to be allocated as specified.

This bill would require moneys transferred to the fund, upon appropriation by the Legislature and after allocations to the Franchise Tax Board and the Controller, to be allocated to the state Military Department for the establishment of financial aid grants *provided to California National Guard members and reserve members of the Armed Forces of the United States*, as specified. ~~This bill would also require the awarding of grants from the fund to be governed by a Memorandum of Agreement.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 18707 of the Revenue and Taxation Code
2 is amended to read:
3 18707. All moneys transferred to the California Military Family
4 Relief Fund, upon appropriation by the Legislature, shall be
5 allocated as follows:
6 (a) To the Franchise Tax Board and the Controller for
7 reimbursement of all costs incurred by the Franchise Tax Board
8 and the Controller in connection with their duties pursuant to this
9 article.
10 (b) (1) ~~(A) To the state Military Department for the~~
11 ~~establishment of financial aid grants to *California National Guard*~~
12 ~~members and reserve members of the Armed Forces of the United~~
13 ~~States who are California residents, and who have been called to~~
14 ~~active duty. Moneys transferred to the California Military Family~~
15 ~~Relief Fund before January 1, 2009, shall be reserved for the~~
16 ~~California National Guard. Grants to the members of the California~~
17 ~~National Guard shall first be distributed from moneys transferred~~
18 ~~to the California Military Family Relief Fund before January 1,~~
19 ~~2009, and only after these moneys are exhausted shall these grants~~
20 ~~be awarded from moneys transferred to the California Military~~
21 ~~Family Relief Fund on and after January 1, 2009. The state Military~~
22 ~~Department shall establish eligibility criteria for the grants.~~
23 ~~(B) On or after January 1, 2009, the California National Guard~~
24 ~~may make moneys transferred to the California Military Family~~
25 ~~Relief Fund before January 1, 2009, up to one hundred thousand~~
26 ~~dollars (\$100,000), available for distribution to qualified members~~
27 ~~of the reserve component, excluding members of the California~~
28 ~~National Guard, until adequate moneys are available to ensure that~~
29 ~~all approved grants are funded. These distributed moneys shall be~~
30 ~~repaid to the California National Guard with moneys transferred~~
31 ~~to the California Military Family Relief Fund on and after January~~
32 ~~1, 2009. The state Military Department shall establish eligibility~~
33 ~~criteria for the grants.~~
34 (2) It is the intent of the Legislature that every qualified
35 *California National Guard* or reserve member, regardless of

1 branch, in need of emergency assistance be able to receive a grant.
2 ~~In order to ensure that the grants awarded pursuant to this article~~
3 ~~are administered objectively, the awarding of grants from the~~
4 ~~California Military Family Relief Fund shall be governed by a~~
5 ~~Memorandum of Agreement, developed by a working group~~
6 ~~comprised of officers or members, or both, of a nonprofit~~
7 ~~organization selected by the State Military Department, that~~
8 ~~describes the procedures and requirements for participation in the~~
9 ~~grant program. A representative with authority to bind the nonprofit~~
10 ~~organization selected by the State Military Department must sign~~
11 ~~the Memorandum of Agreement.~~

12 (3) In addition to criteria established by the state Military
13 Department pursuant to paragraph (1), *the California National*
14 *Guard members and* reserve members of the Armed Forces of the
15 United States who are California residents shall show proof of all
16 of the following to be eligible to receive a grant:

17 (A) Membership in *the California National Guard or a reserve*
18 *component of* the Armed Forces of the United States.

19 (B) Residency in California.

20 (C) Deployment to active duty for at least 60 consecutive days.

21 (D) One of the following:

22 (i) The military salary of the member, combined with any
23 ongoing partial receipt of civilian salary, has decreased by 10
24 percent or more from the member's civilian salary, or the
25 household income of the member's family has decreased by 10
26 percent or more from the member's household income prior to
27 deployment.

28 (ii) The member, within six months of returning from active
29 duty, has experienced a 10-percent loss, or greater, in income,
30 compared to predeployment income, as a direct result of
31 deployment.

32 (iii) *The member was injured while serving on active duty and*
33 *has been discharged from federal active duty and is actively*
34 *seeking assistance through the United States Department of*
35 *Veterans' Affairs with regard to disability compensation benefits*
36 *or treatment, or both. Application for a cash grant under this*
37 *section shall be submitted within 18 months of being released from*
38 *federal military active duty, along with written substantiation*
39 *demonstrating that the member's current financial hardship is a*

1 *direct result of a military deployment and an injury sustained*
2 *during the deployment.*

3 (4) Grants awarded pursuant to this article may only be used
4 for any of the following: food, housing, child care, utilities, medical
5 services, medical prescriptions, insurance, and vehicle-related
6 payments.

7 (5) ~~Reserve~~ *California National Guard members and reserve*
8 *members of the Armed Forces of the United States who are*
9 *California residents shall not be eligible to receive a grant if the*
10 *member receives a punitive discharge or an administrative*
11 *discharge with service characterized as under other than honorable*
12 *conditions.*

13 (6) Reserve members of the Armed Forces of the United States
14 who are awarded grants pursuant to this article may be required
15 to receive counseling, within a specified time period, as a condition
16 of the grants.